

Submitted herewith as support for such common understanding is a paper from a recognized scientific journal (Kawaguchi, *Principles and Applications of BPCS-Steganography*, Proceedings of the SPIE, Vol. 3528, pp. 464-73, Nov 2-4, 1998).

As understood by artisans, Nathans does *not* employ steganographic encoding. His encoding *does* leave apparent evidence of data alteration. Indeed, it is the *conspicuous* alteration effected by Nathan's technique on which his invention relies. ("If the image on the monitor is not fully descrambled, the guard is alerted." Col. 5, lines 19-20. If, as suggested by the Examiner, Nathans encoding was imperceptible, then the guard could not tell the difference between a scrambled and descrambled image.)

As to the obviousness-type double patenting rejection, no basis therefor has been provided by the Examiner except "See claim number 2 of the parent cases, compared to claim 1 of the current case."

Since a Terminal Disclaimer was already submitted in connection with the '886 patent, the remaining rejection leaves the following comparison:

Pending Claim	Issued Claim
1. A security document comprising: a substrate; text printed on the substrate; a graphic carried by the substrate, the graphic conveying a visual impression to human viewers thereof; the graphic additionally being steganographically encoded to secretly convey plural bits of digital data recoverable by computer analysis of said graphic	1. A paper medium having steganographically encoded data stored therein, the steganographically encoded data being produced in accordance with the following method: providing first and second signals; modulating the first signal with the second to produce a third signal, wherein the second signal cannot be discerned from the third signal without the first signal; shaping the surface micro-topology of the paper medium in accordance with the third signal.

The comparison proposed by the Examiner does not reveal a basis for the rejection.
Again, no *prima facie* case has been established.

Withdrawal of the rejections and passage to issuance are thus solicited.

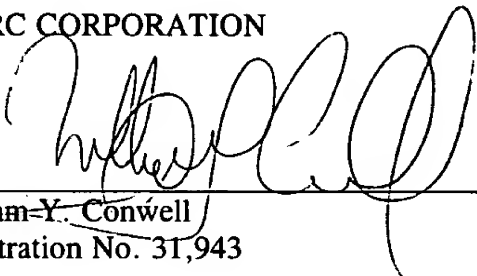
Respectfully submitted,

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